

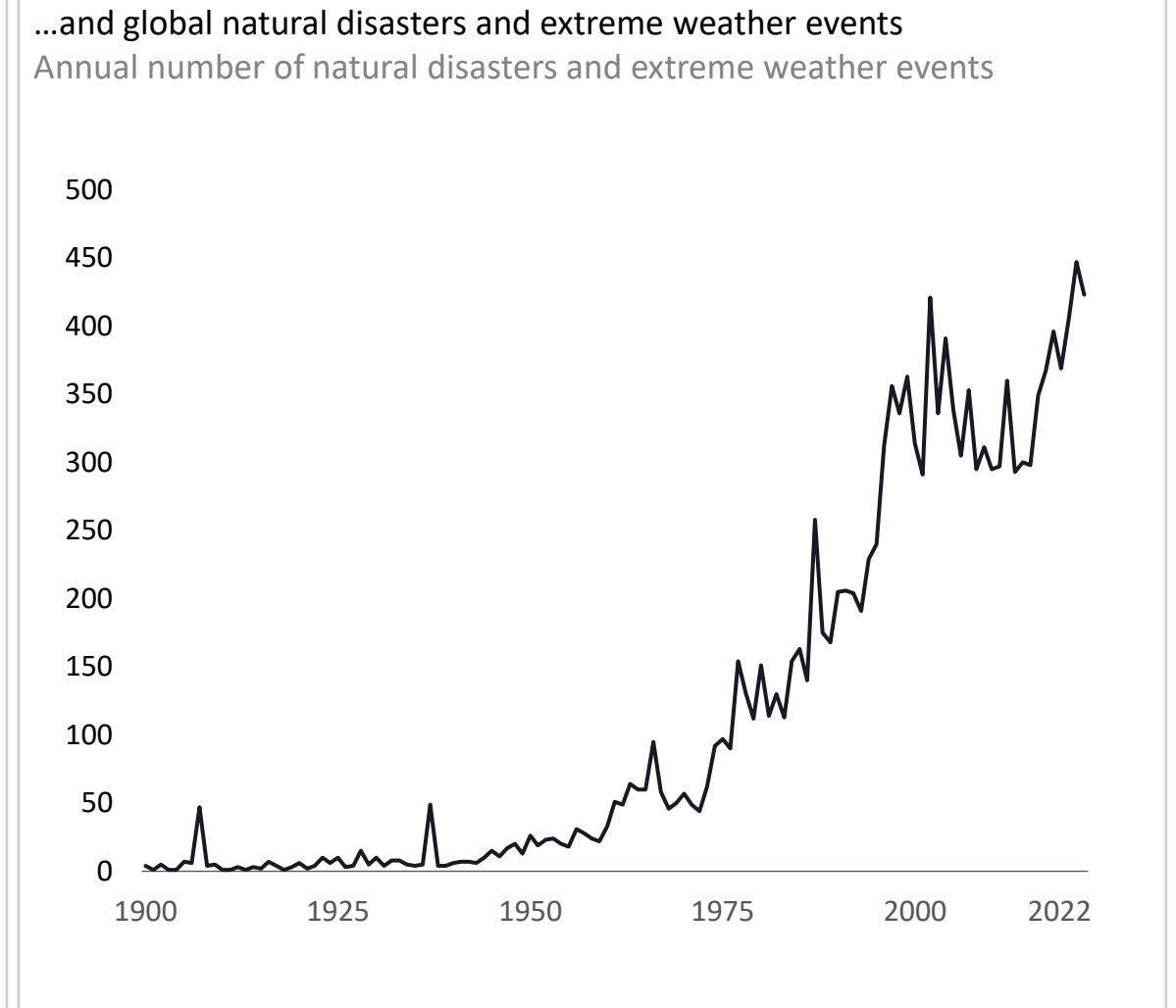
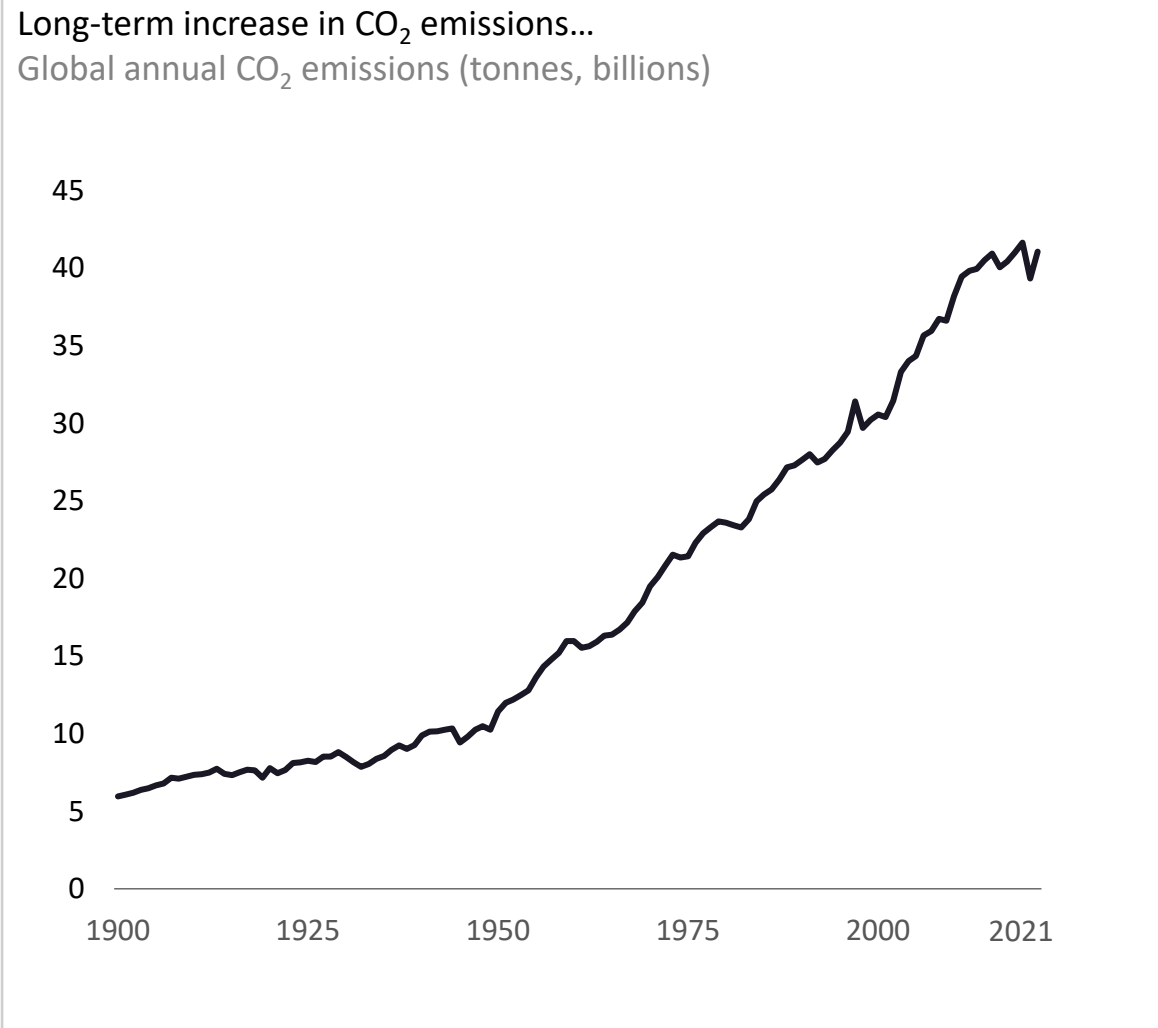
The SEB logo is positioned at the top center of the slide. It consists of the letters 'S', 'E', and 'B' in a bold, white, sans-serif font, with a vertical bar separating each letter. The background of the slide is a low-angle photograph of a dark, metallic, pyramid-shaped structure against a light, overcast sky.

SEB

Rahoitus ja vihreä siirtymä

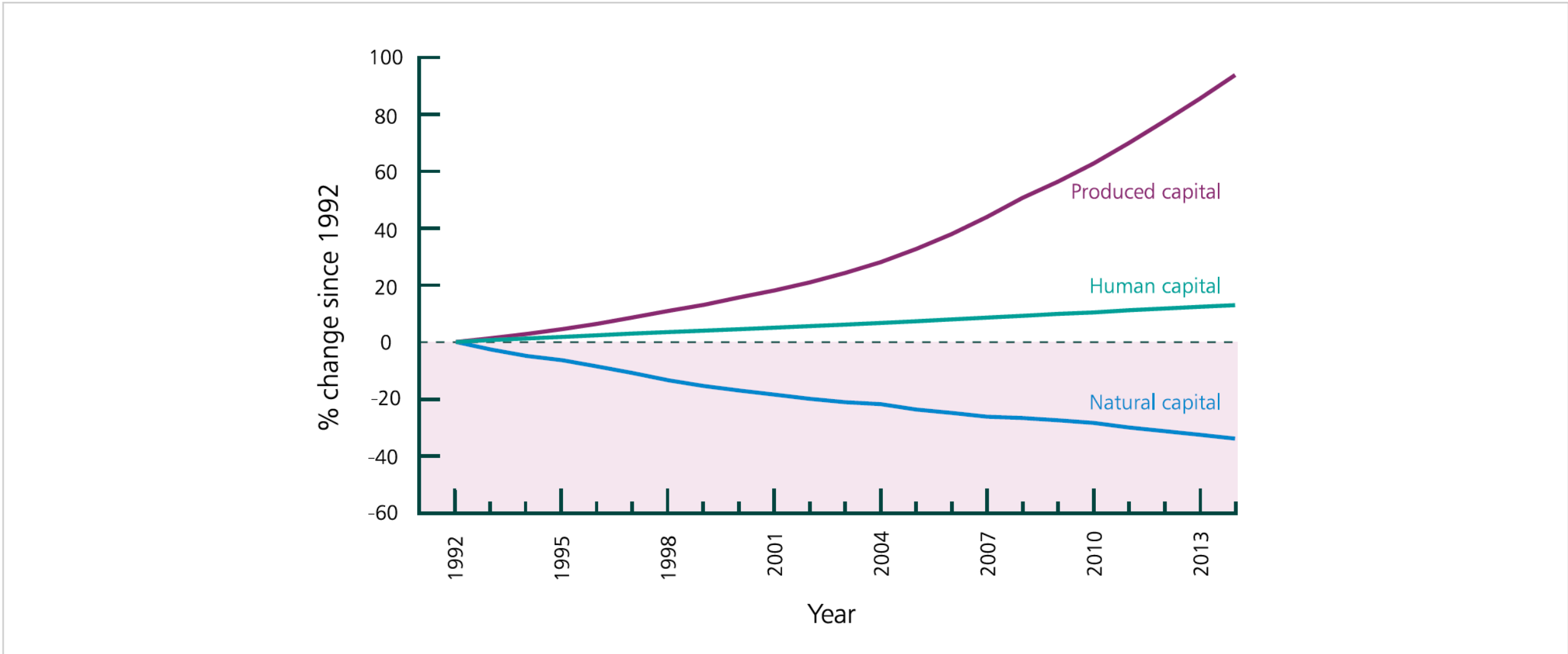
Ville Lähde
Head of Real Estate
Finland

The Anthropocene era – the emission issue



Source: Global Carbon Budget (2022). EM-DAT (natural disasters including drought, extreme temperature, storms, floods, wildfires.).

The resource issue



Source: Dasgupta Review (2021), Managi and Kumar (2018).

Ambition to be a leading catalyst in the transition towards a sustainable society

Financing the transition

We support our customers, share our knowledge and offer advisory services as well as sustainable financing and investment products.

Transforming our business

We sustainably develop our own business, communicate our policies and goals, and transparently and continuously report on our position and progress.



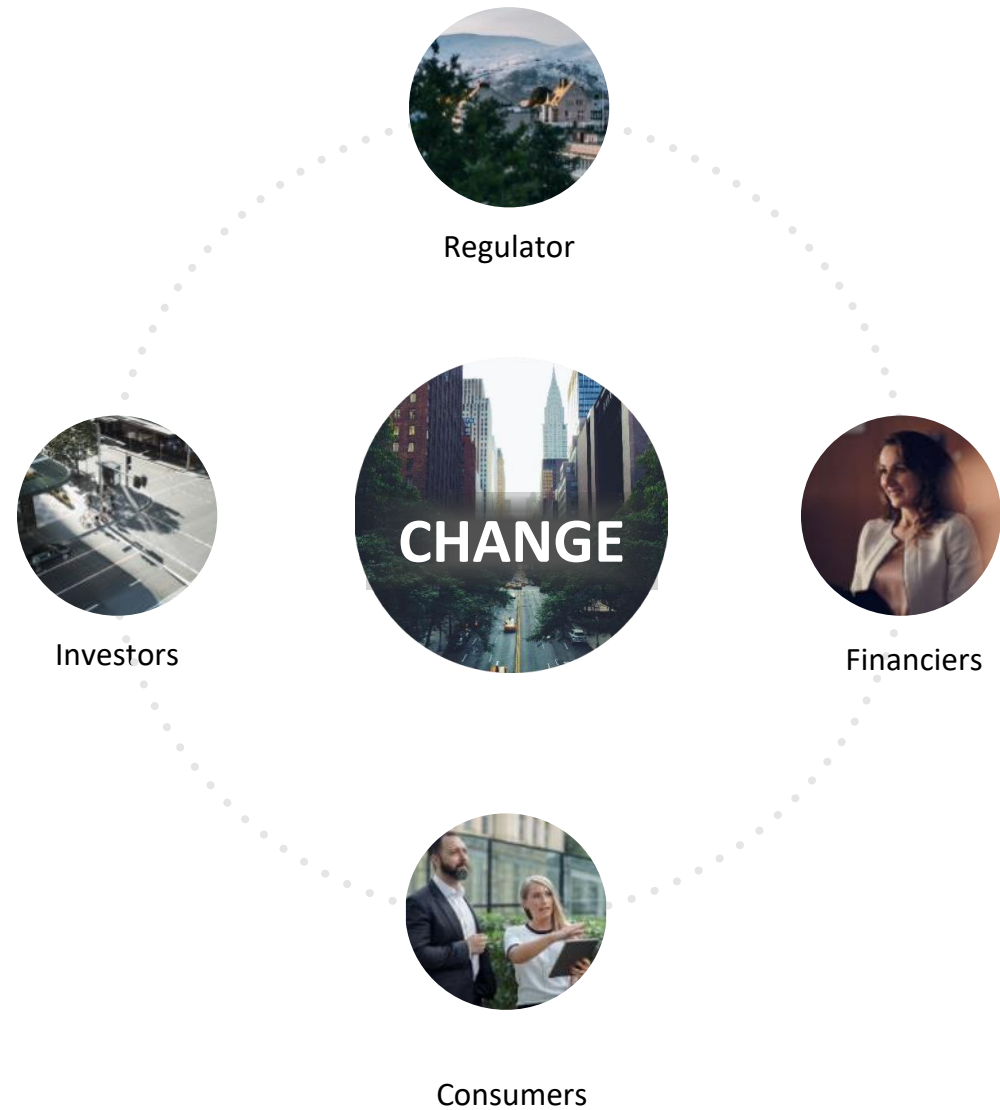
Acting as a thought leader

We develop innovative products and services, and set standards for how banks can contribute to a more sustainable society.

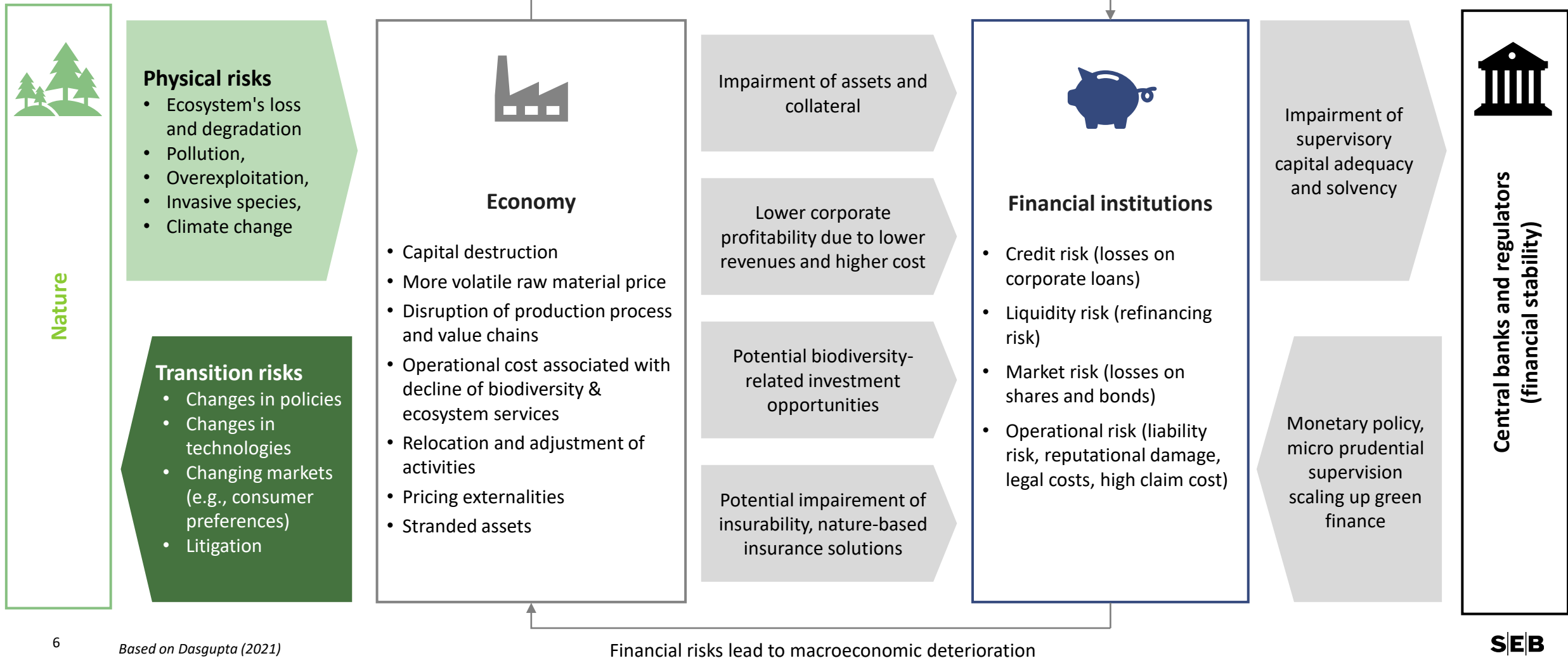
Being a corporate citizen

We fulfil our critical role in society, and always strive to take an active part in building for the future.

Sustainability is a changing force in society if all the key forces are pulling to the same direction



Link between finance and financial stability



USD 300tr by 2030



“We're only at about 10 percent of the deployment of ‘physical assets’—technologies and infrastructure—that we will need to meet global commitments by 2050.”

- McKinsey, August 2024

McKinsey
Global Institute

The hard stuff

Navigating the physical realities of the energy transition

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McKinsey Global Institute in collaboration with McKinsey's Global Energy and Materials practice and McKinsey Sustainability

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Why a company should engage in sustainable finance



Driving long-term financial performance



Tool to drive sustainability performance



Increase financial resilience



Articulating the sustainability strategy



Regulatory and legal requirements



Vetting the sustainability strategy

Sustainable Finance further articulates the financial benefits of the sustainability strategy, by incorporating material corporate KPIs and measurable performance to financing

Sustainable finance alternatives

The two main approaches distinguished between for sustainable finance

Focus on investment / project / asset

Use of Proceeds
 (“Green / Social / Sustainable Financing”)

Green Bonds / Loans *or* **Social Bonds / Loans** *or* **Sustainable Bonds / Loans**

Funds from the financing needs to be allocated to specific and predefined eligible projects






Focus on issuer / borrower

Sustainability-linked
 (“Sustainability-Linked Financing”)

External Rating/ Scoring *or* **Externally defined target methodology** *or* **Target set by company**

Company assigned an external scoring, e.g. an ESG level


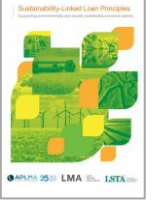
needs to have an external ESG rating

Company benchmarked against e.g. a defined Science Based Target

involves external 3rd party to assess set up and target levels

Company benchmarked against internal sustainability KPIs

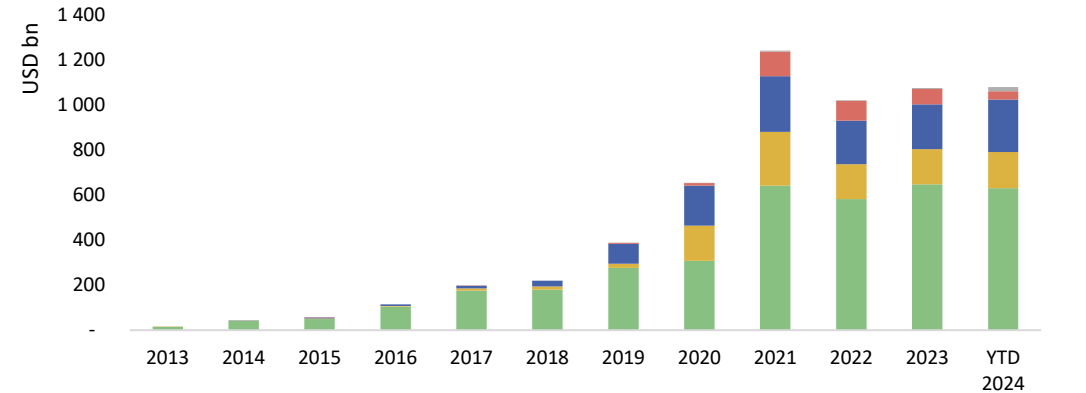
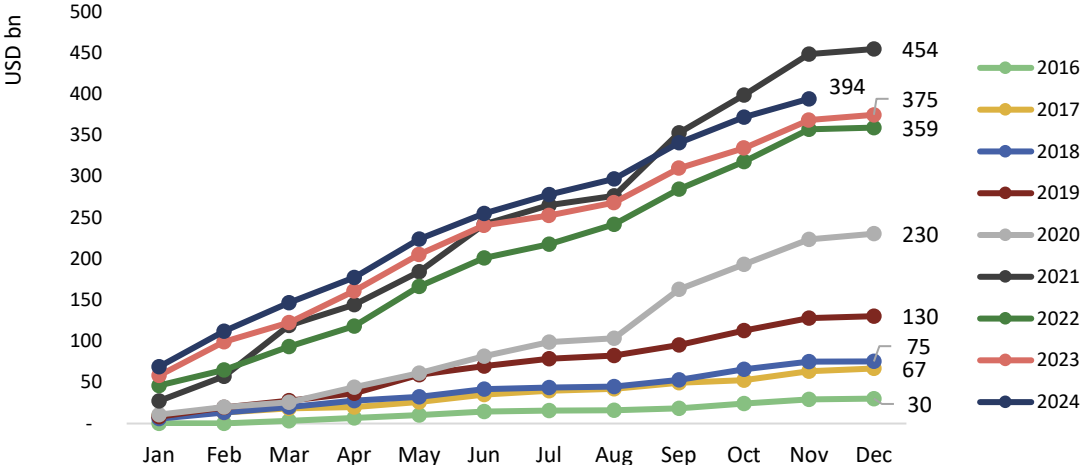
requires existing and credible ESG targets, monitoring and reporting

The sustainability supercycle

Linking your sustainability strategy to financing sources

Growth in the Sustainable Finance market - Europe

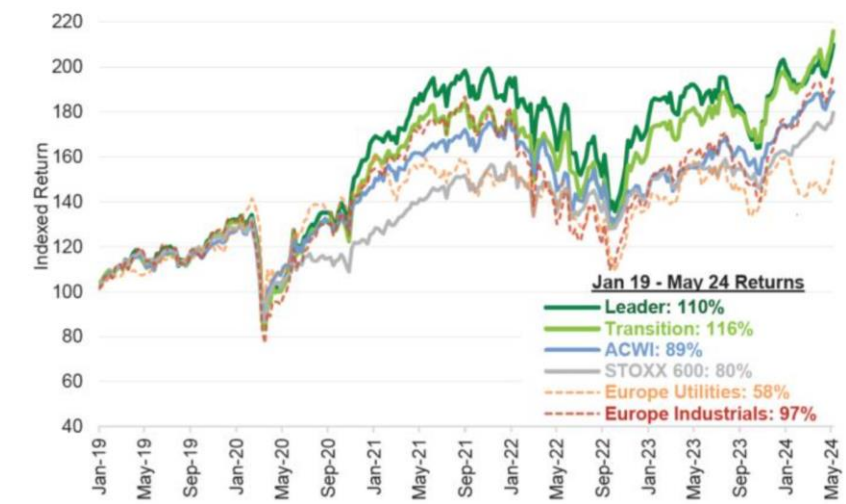


11 Bond - Green Bond - Social Bond - Sustainability Bond - Sustainability-linked Bond - Transition

Source: EU, Bloomberg, FactSet, LSEG, Goldman Sachs Global investments Research

Outperformance in stock markets

Equal-weighted weekly indexed TSR from 1 January 2019 to 13 May 2024

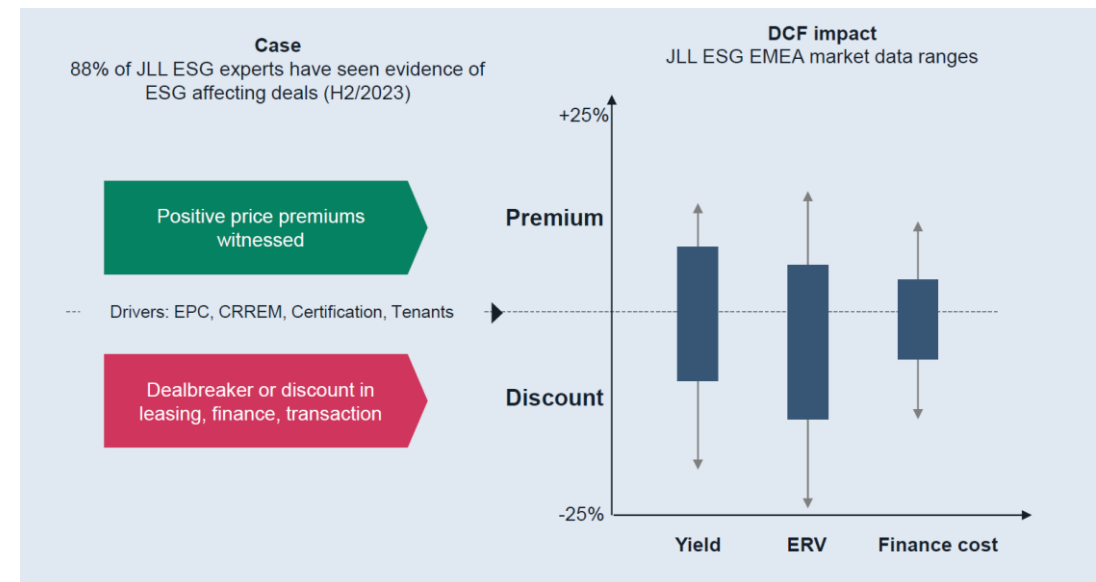


Sustainability x construction/real estate – why?


Some of the key driving forces?

- Transparency
 - CSRD (Corporate Sustainability Reporting Directive, for corporates)
 - SFRD (Sustainable Finance Disclosure Regulation, for institutions)
 - Taxonomy (EU's list of actions that are the most efficient way to cut down CO2 emissions and other negative externalities for the society)
- Mandatory requirements
 - EPBD (Energy Performance of Buildings Directive)
 - EED (Energy Efficiency Directive)

How is it visible? It is value creation issue!



SEB's Green Bond Framework – Green Buildings

GBP category	Examples of Eligible Green Assets	UN SDGs	Environmental objective ¹	EU Taxonomy alignment ²	Cicero shading
Green buildings ³	<p>New buildings:</p> <ul style="list-style-type: none"> Where the Primary Energy Demand (PED) is, or will be, at least 10% lower than the threshold set for the nearly zero-energy building (NZEB) requirements in national measures. The energy performance is or will be certified using an Energy Performance Certificate (EPC) <p>Existing buildings:</p> <ul style="list-style-type: none"> Buildings built before 31 December 2020⁴, where the building has an Energy Performance Certificate (EPC) class A, or the building has a Primary Energy Demand (PED) which is within the top 15% of the national or regional building stock Renovations^{5 6} of existing buildings that either lead to a reduction in the Primary Energy Demand (PED) of at least 30%, or where the building meets the applicable national and regional building regulations for 'major renovation' according to the Directive 2010/31/EU⁷ 		Climate change mitigation	Mostly aligned	Light Green

¹ EU Taxonomy Environmental Objectives (Article 9 of the Taxonomy Regulation EU 2020/852)

² Alignment with the technical screening criteria for substantial contribution to climate change mitigation and/or climate change adaptation, as outlined in the EU Taxonomy (December 2021).

³ To help establish NZEB criteria, SEB will utilise <https://epbd-ca.eu/database-of-outputs>

⁴ Buildings built after this date will have to meet the criteria outlined under 'New buildings'.

⁵ If a renovated building meets the criteria for 'Existing buildings', outlined within the Green Buildings section of this framework, then the building as a whole can be classified as an 'Eligible Green Asset'. If the renovation does not bring the building within the specified criteria but results in a 30% reduction in the PED, then only the cost of the renovation can be classified as 'green'.

⁶ Minor renovations of buildings could be eligible for financing through this Framework if they meet the criteria specified under 'Energy efficiency'.

⁷ As stated in directive 2010/31/EU, a 'major renovation' means the renovation of a building where: (a) the total cost of the renovation relating to the building envelope or the technical building systems is higher than 25% of the value of the building, excluding the value of the land upon which the building is situated; or (b) more than 25% of the surface of the building envelope undergoes renovation.

SEB

Kiitos!
Kysymyksiä?